

Office Memorandum

UNITED STATES

GOVERNMENT

TO : Mr. Tolson

DATE: May 9, 1952

FROM : L. B. Nichols

SUBJECT:

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 1-28-86 BY SP4/CLW/60M

Tolson _____
Ladd _____
Nichols _____
Belmont _____
Clegg _____
Glavin _____
Harbo _____
Rosen _____
Tracy _____
Mohr _____
Tele. Rm. _____
Nease _____
Gandy _____

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[redacted] advised me he was very much concerned regarding the activities of a Frank Wisner, who is connected with CIA. [redacted] interest grows out of his checking on a case regarding the Rumanian industrialist, Malaxa; that at the request of Jack Wasserman, a lawyer, he has interested himself in Malaxa.

Malaxa has been very greatly maligned by virtue of stories peddled by Max Ausnit and an individual named Cretzianu, who was Undersecretary of State under Antoniescu of Rumania, a Hitler collaborator; that Ausnit came to this country with a million and a half dollars of Royal Rumanian funds to help aid refugees in getting out of Rumania. Rather than use the money for this purpose, he bought apartment houses in Washington.

The Free Rumanian League, under former Prime Minister of Rumania, a man named Radescu, has tried to get this money back. Malaxa has backed the Free Rumanian League. Ausnit in turn has made charges against Malaxa.

In the meantime, Frank Wisner represented Max Ausnit as an attorney and put in CIA records considerable information on Malaxa. The information put in CIA records on Malaxa has gone to the State Department, Immigration and Naturalization Service, and is now being used to hurt Malaxa.

Max Ausnit was a Rumanian steel man, was jailed in 1939 on embezzlement charges, and was mentioned as having entertained Russians in a book entitled "Russia Astride The Balkans."

Wisner, as Ausnit's attorney, is using his official position to hurt Malaxa.

I told [redacted] to give me a memorandum on plain paper outlining this situation. Such a memorandum is attached which goes even further into the matter.

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Of course, [redacted] entire campaign is against Wisner. In the attached blind memorandum, [redacted] states that Wisner met a Rumanian divorcee, Tandra Caradja, in Bucharest, and that he started living with her; that a member of the British Mission warned Wisner against the Caradja woman as being in the service of the

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ENCL

Attachment

EX-79 JUN 14 1952

F130

LBN:MP

INDEXED

RECORDED

EX-180-117-5

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JUN 5 1952

62-97311-1

Memo to Mr. Tolson

May 9, 1952

Russians engaged in espionage.

Wisner ignored this advice.

[] states that Colonel Oscar Colcaire of the American Legation in Bern was told by [] that the British had tried to warn Wisner that he was living with a known Soviet spy.

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The Caradja woman went to France and Switzerland where she engaged in black market currency operations and in the summer of 1948, when she was in Vienna, she fell into the trap laid for her by American Intelligence agents and they arrested her as she was about to enter Russian Intelligence Headquarters. She is said to have subsequently confessed.

The details of this case are also known to General Radescu, the exiled Rumanian premier.

It is interesting to observe that [] in his memorandum points out that the CIA report on Malaxa to the FBI, which came out in the Coplon trial, attests to Wisner's influence.

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[] further states that Ausnit is joined in his attack on Malaxa by Visoianu and [] both extremely friendly with Wisner, and both of whom are in Washington.

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It would appear that if the allegations regarding Wisner are true, it is conceivably possible that a loyalty investigation should be opened.

Wm

Letters, signed by Wisner, confirm this fact, as well as an affidavit of *THE LAWYER*
of Malaxa, [redacted] of the firm Phillips, Nizer, Benjamin & Krim, from New York. b6 b7C

These proofs will be submitted.

After a short period, he left the firm and became a member of the Central Intelligence Agency where he is actually engaged at this writing.

His influence in this capacity is seen in the C.I.A. report to the F.B.I., on Malaxa, which was one of the documents exposed in the Coplon trial.

As can be readily seen, the whole report is based on hearsay and not one proven fact, as Supreme Court Justice Tom Clark, who was Attorney General at the time, in an interview to the press admitted such.

All of the false information comes from the coterie of Max Ausnit, the bitter enemy of Malaxa.

The goal of all these endeavors was to keep Malaxa from permanent residence in the United States and eventually to chase him out of the country.

Those joining Ausnit in the attack on Malaxa, are Visoianu and Cretzianu, ex Roumanians living in Washington, who are also extremely friendly with Frank Wisner.

The Immigration Service, after a most intensive investigation spread over almost 5 years, completely exonerated Malaxa of the charges lodged with their service by the Ausnit cabal, and recommended favorably to Congress that he be admitted for permanent residence in the U.S.A.

Notwithstanding, they continued their desperate efforts, by pursuing their vilifications into the committees of Congress itself.

So they are trying to keep favorable action from being taken, by complicating the work of the committees by new and further investigations of the C.I.A., which is seeking more information from the very Germans who had emprisoned Malaxa during the war, for his refusal to cooperate with the nazi regime. It is easy to foresee the unfavorable report which they will get from these nazis who were the enemies of Malaxa.-

Frank Wisner.

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Lawyer.

He came to Roumania in 1944 as member of the U.S. Military Mission. Although a member of O.S.S. he used the title of legal counselor of the Mission, as his coverplan.

In this capacity, he made the acquaintance of Max Ausnit, who sought and cultivated the friendship of all members of the Mission. In order to cement firmly his relations, Ausnit advanced money and introduced them to the many beautiful women who also shared in his bounty. Ausnit himself is known in international circles, in America as well as in Europe, as a devoted and frequent attendant of night spots. In Bucharest, Wisner met the Roumanian divorcee Tanda Caradja. She was a beautiful woman, of aristocratic lineage, and as such had entree to the best Roumanian and foreign social circles of Bucharest. This acquaintance ripened into more than friendship and soon they were living together.

Later, at different times, Wisner's opposite number of the British Mission, tried to warn him against the lovely Caradja as being in the service of the Russians engaged in espionage.

He ignored all attempts to acquaint him with the real character of his friend, and continued his intimate relations with Caradja. Colonel Oscar Colcaire, who was with the American Legation in Bern, as a member of the U.S. Army Intelligence, recounts a conversation he had with [redacted], who was [redacted]

[redacted] who was [redacted] contemp-
orary with Wisner's service there, in which [redacted] told Col. Colcaire that the British had tried to warn Wisner that he was living with a known Soviet spy, but that he refused to accept their recommendation. Through her association with Wisner, coupled with the green light already given by the Russians, she was able to leave and enter Roumania as she pleased, at a time when no one, except in official capacity, was able to move.

She was able to go to France and to Switzerland where she engaged in black-market currency operations, as an adjunct to her primary mission. However, the summer of 1948, when she was in Vienna, she fell into the trap laid for her by American Intelligence agents who had been keeping her under surveillance for some time, and arrested her as she was about to enter Russian Intelligence Headquarters to report. Arrested and brought to the headquarters of the U.S.A., she confessed in toto her activities as a Russian spy.

The above case is also known to General Radescu, the exiled Roumanian premier who is now living in New York, and who learned of it from an American intelligence agent who had called upon him and gave him the story of the arrest of Tanda Caradja.

Frank Wisner, in 1947, was a member of the law firm of Carter, Ledyard & Milburn, 2 Wall Street, New York. As such, in 1947, he represented the interests of Max Ausnit and was his lawyer in the lawsuit against Malaxa.

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ENCLOSURE